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COASTAL DEVELOPMENT PERMIT APPEAL: SUBSTANTIAL ISSUE DETERMINATION AND DE NOVO HEARING

Application numberA-3-SLO-00-118, KK Ranch

Applicant.....Khosro Khaloghli

Appellants.....Commissioners Wan and Nava

Project location.....7292 Exotic Gardens Drive, Cambria, San Luis Obispo County

Project description9,654 sq. ft. single family residence including an attached garage and workroom; 600 sq. ft. guesthouse with a 480 square foot garage; 2,400 sq. ft. storage barn with 600 square foot loft; 2,400 square foot horse barn; and 1.4 acre pond filled by runoff

Local approval.....The San Luis Obispo County Planning Commission approved Minor Use Permit/Coastal Development Permit D990019V for the project on June 22, 2000. This action included a variance to visual resource protection standards of the North Coast Area Plan.

File documents.....San Luis Obispo County certified Local Coastal Program; Final Local Action Notice 3-SLO-00-379; documents and materials from the local record provided by San Luis Obispo County on August 17, 2000; Periodic Review of the San Luis Obispo County Certified Local Coastal Program; additional documents, materials, and correspondence provided by applicant and interested parties.

Staff recommendation ...**Staff Recommends that the Commission determine that the appeal raises a SUBSTANTIAL ISSUE with respect to the grounds on which the appeal has been filed, then APPROVE the project with conditions.**

Summary: The project involves the construction of a new residence, guest house, storage barn, horse barn, and pond on a 78 acre parcel in the Rural Lands category east of Highway One and north of the Cambria Urban area. Access to the site is from Highway One, at Exotic Gardens Drive, where there is an existing restaurant known as the Hamlet. Although the site is located outside the Cambria Urban Services Line, there is a pre-existing water meter that provides water to the site and currently serves a



**California Coastal Commission
March 2002 Meeting in Monterey**

Staff: SM Approved by:

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3,000 square foot temporary modular residence that will be removed upon construction of the new residence. As approved by the County, the project included a water well within 100 feet of Leffingwell Creek, which has since been removed from the project by the applicant.

The appeal raises substantial issues regarding the project's conformance to San Luis Obispo County Local Coastal Program (LCP) standards protecting environmentally sensitive habitat areas (ESHA) and coastal watersheds. As approved by the County, the development has the potential to disrupt adjacent sensitive forest habitats inconsistent with LCP ESHA Policy 1. The development will introduce noise and light to the natural areas, and potentially result in the invasion of exotic vegetation and insects carrying pitch canker spores. A substantial issue is also raised with LCP ESHA Policy 27, requiring new development to protect the entire ecological community of the forest and be compatible with its continuance. The development may impact grasslands adjacent to forest habitats that contain Monterey pine saplings and other resources that support the biological productivity and regeneration of the forest.

Substantial issues are also raised by appeal contentions that challenge the project's consistency with LCP visual resource policies. The locally approved residence excessively intrudes within the highly scenic Highway One view corridor, inconsistent with LCP Visual and Scenic Resources Policies 1, 2, 4, and 5, and conflicts with the LCP directive to locate new development outside of the Highway One viewshed in rural areas of the North Coast (North Coast Planning Area Standard 6). The siting and design of the house has not avoided and minimized its intrusion within public view corridors, and does not provide adequate assurances that although the house has been sited to protect the sensitive habitat values, and to minimize visibility from Highway One, the size and design of the house unnecessarily increases its visibility from Highway One.

To resolve these issues and achieve LCP consistency, staff recommends that the Commission approve the project with special conditions. To protect visual resources, the conditions call for the applicant to submit revised plans for the residence that lower both the finished floor elevation and height of the residence. In addition, the conditions require the preparation and implementation of a landscape program that will completely screen the development within 3 years of its construction and be maintained throughout the life of the project.

To preserve the surrounding sensitive pine forest habitat, the conditions require the applicant to transplant all Monterey pine saplings within the development footprint to area of the site that will not be disturbed. In addition, the conditions require that the landscape plan use only native vegetation appropriate to the site, and be implemented in a manner that prevents the spread of pitch canker and/or exotic invasive vegetation.

The Special Conditions also address other LCP inconsistencies not addressed by the appeal, related to the protection of coastal water quality and aquatic habitats. Specifically, they require implementation of construction and post construction drainage and erosion controls that will avoid the discharge of sediments and pollutants to coastal waters. They also require the development and implementation of a pond maintenance and management plan to prevent the manmade pond from becoming an attractive nuisance to the rare native species of the area, or introducing non-native species that could diminish habitat values of nearby wetland areas.



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VI. Exhibits

- Exhibit A: Project Location
- Exhibit B: Project Plans
- Exhibit C: Contentions of Appeal
- Exhibit D: Local Findings and Conditions of Approval
- Exhibit E: View Corridors
- Exhibit F: Visual Simulations
- Exhibit G: LCP Combining Designation Map
- Exhibit H: Letter from Project Geologist
- Exhibit I: Other Correspondence

I. Summary of Appellants Contentions

For the full text of the appellants' contentions, please refer to Exhibit C.

In summary, the appellants contend that the project is inconsistent with provisions of the San Luis Obispo County certified LCP protecting visual resources and environmentally sensitive habitats, as well as with LCP standards regarding water supplies.

With respect to views, the appeal asserts that the project does not conform with Visual and Scenic Resource Policies 1, 2, 4, and 5 because the project does not protect views from Highway One, and is not designed and sited to be subordinate to the rural character of the area. In addition, the appeal notes that the use of earthen berms to screen the development from Highway One, as required by San Luis Obispo County, may degrade scenic resources by altering natural land forms.

Regarding environmentally sensitive habitats, the appeal identifies that the project is adjacent to the Monterey Pine Forest, classified by the LCP as a Sensitive Resource Area and Environmentally Sensitive Habitat. Because the project has the potential to degrade and fragment the Monterey Pine Forest, the appeal questions its conformance to LCP ESHA Policy 1 prohibiting the disruption of ESHA and limiting development within ESHA to resource dependent uses. On the same grounds, the appeal challenges the project's consistency with LCP ESHA Policy 27, calling for projects adjacent to ESHA to be compatible with the continuance of the habitat and ecological community. In addition, the appeal contends that the project is inconsistent with LCP riparian setback requirements because a new well is proposed within 100 feet of Leffingwell Creek.

Finally, the appeal asserts that the project is inconsistent with the requirements of the LCP regarding water supplies. In particular, the appeal alleges that the use of municipal water to serve development outside of the Urban Services Line contradicts LCP Policy 1 for Public Works as well as Section 23.04.430 of the CZLUO. In addition, the appeal contends that the local approval of a new well, without an evaluation of its adequacy or impacts, is also inconsistent with these LCP provisions.



II. Local Government Action

The San Luis Obispo County Planning Commission approved a Minor Use Permit/Coastal Development Permit and Variance from visual resource protection requirements for the project on June 22, 2000 (San Luis Obispo County Permit File No. D990019V). The local findings and conditions of approval are attached as Exhibit D.

III. Appeal Procedures

Coastal Act Section 30603 provides for the appeal of approved coastal development permits in jurisdictions with certified local coastal programs for development that is (1) between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance; (2) on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff; (3) in a sensitive coastal resource area; (4) for counties, not designated as the principal permitted use under the zoning ordinance or zoning district map; and (5) any action on a major public works project or energy facility. Section 23.01.043c(3) of the San Luis Obispo Coastal Zone Land Use Ordinance specifies the sensitive coastal resource areas where development is appealable to the Coastal Commission, which includes environmentally sensitive habitat areas such as the Monterey Pine forest and coastal streams. As determined by the County, this project is appealable to the Coastal Commission because it involves development within Sensitive Resource Areas designated by the LCP; specifically, the project proposed development within environmentally sensitive habitats associated with the Monterey Pine forest and Leffingwell Creek, on a site with known archaeological resources¹.

The grounds for appeal under section 30603 are limited to allegations that the development does not conform to the standards set forth in the certified local coastal program or the public access policies of the Coastal Act. Section 30625(b) of the Coastal Act requires the Commission to conduct a *de novo* coastal development permit hearing on an appealed project unless a majority of the Commission finds that “no substantial issue” is raised by such allegations. Under section 30604(b), if the Commission conducts a *de novo* hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter Three of the Coastal Act, if the project is located between the nearest public road and the sea or the shoreline of any body of water located within the coastal zone. This project is not located between the nearest public

¹ As described by San Luis Obispo County, “The project is appealable to the Coastal Commission for several reasons. The property was Wetland and Terrestrial Habitat mapped areas, both of which are considered Environmentally Sensitive Habitats (ESH’s). Projects proposed on properties with ESH’s are appealable to the CCC whether the project is in the mapped area or not because the project may still result in adverse impacts to resources existing but not mapped. The project site also contains a known archaeological site. Although the property is not formally designated as Archaeologically Sensitive, the project is appealable because the project [site] contains known archaeological resources and the project may result in adverse impacts to archaeological resources (either known or unknown). The project is also appealable to the CCC because the proposed landscape well is within 100 feet of the creek.”



road and the sea and thus, this additional finding need not be made in a *de novo* review in this case.

IV. Staff Recommendation on Substantial Issue

MOTION: *I move that the Commission determine that Appeal No. A-3-SLO-00-118 raises NO substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act.*

STAFF RECOMMENDATION OF NO SUBSTANTIAL ISSUE:

Staff recommends a **NO** vote. Failure of this motion will result in a de novo hearing on the application, and adoption of the following resolution and findings. Passage of this motion will result in a finding of No Substantial Issue and the local action will become final and effective. The motion passes only by an affirmative vote by a majority of the Commissioners present.

RESOLUTION TO FIND SUBSTANTIAL ISSUE:

The Commission hereby finds that Appeal No. A-3-SLO-00-018 presents a substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act regarding consistency with the Certified Local Coastal Plan and/or the public access and recreation policies of the Coastal Act.

V. Recommended Findings and Declarations for Substantial Issue

A. Visual Resources

1. LCP Scenic and Visual Resources Protection Provisions

The appeal asserts that the project is inconsistent with the following LCP Policies for Visual and Scenic Resource Protection:

Policy 1: Protection of Visual and Sensitive Resources

Unique and attractive features of the landscape, including but not limited to unusual landforms, scenic vistas and sensitive habitats are to be preserved, protected, and in visually degraded areas restored where feasible.



Policy 2: Site Selection for New Development

Permitted development shall be sited so as to protect views to and along the ocean and scenic coastal areas. Wherever possible, site selection for new development is to emphasize locations not visible from major public view corridors. In particular, new development should utilize slope created “pockets” to shield development and minimize visual intrusion.

Policy 4: New Development In Rural Areas

New development shall be sited to minimize its visibility from public view corridors. Structures shall be designed (height, bulk, style) to be subordinate to, and blend with, the rural character of the area. New development which cannot be sited outside of public view corridors is to be screened utilizing native vegetation; however, such vegetation, when mature, must also be selected and sited in such a manner as to not obstruct major public views. New land divisions whose only building site would be on a highly visible slope or ridgetop shall be prohibited.

Policy 5: Landform Alterations

Grading, earthmoving, major vegetation removal and other landform alterations within public view corridors are to be minimized. Where feasible, contours of the finished surface are to blend with adjacent natural terrain to achieve a consistent grade and natural appearance.

2. Substantial Issue Analysis

The appeal contends that the project is inconsistent with the above policies because:

the proposed development is located in front of an established Building Control Line intended to protect visual resources from Highway One, and will be visible from a major public view corridor. Secondly, the design and placement of the proposed residence does not appear to be subordinate to the rural character of the area. Finally, earthen berms proposed to aid in shielding the development from the view corridor of Highway 1 may appear as an unnatural landform alteration.

In sum, the appeal asserts that the visibility of the project from Highway One, and its coinciding adverse impact on scenic resources, results in nonconformance with LCP requirements.

The Commission has recognized the statewide significance of San Luis Obispo County’s scenic resources, particularly in the County’s rural north coast, on many occasions, including in its January 1998 review of a proposed update to the North Coast Area Plan, and in its July 2001 adoption of the Periodic Review. The rural north coast is the southern gateway to the Big Sur coast, and provides unique opportunities for residents and visitors to experience the natural beauty and majestic scenery of this largely undeveloped section of coastline. The Commission has consistently found that preservation



of this resource is of utmost importance. Accordingly, the LCP policies cited above call for new development to *avoid* encroachment within public viewsheds wherever feasible.

Contrary to these requirements, the project approved by San Luis Obispo County has not been sited and designed in a manner that maximizes protection of the area's highly scenic resources. The proposed 9,700 square foot residence has a height of 26-feet, and will be partially visible from two places along Highway One. According to the visual analysis completed by the project architect, the house would be visible at a distance of approximately $\frac{3}{4}$ of a mile for about a two second period to a motorist traveling southbound on Highway One. From the northbound direction, the residence would be visible at a distance of $\frac{1}{2}$ mile, for about three seconds (see Exhibit E). According to the applicant and the County's visual analysis, other structural components of the project (i.e., guest house, horse barn, and storage barn) will be outside of the Highway One viewshed.

The Building Control Line (BCL) referenced by the appeal refers to a line established by San Luis Obispo County when it approved a lot line adjustment filed by the previous property owner that affected the subject site and adjacent properties. The BCL was intended to delineate the westward limit to future residential structures, so that they would not be visible from Highway One. The language of the condition did, however, allow residential development west of the BCL if "a subsequent visual analysis, prepared by a professional approved by the Environmental Coordinator, demonstrates that a residence placed on the west side of the line would not violate Planning Area Standards or result in significant adverse visual impacts". Regarding this issue, the County staff report states:

The applicant considered, for a short time, placing the structures at or behind the BCL. However, the applicant felt that placing the primary residence at or behind the BCL did not afford a reasonable view of the ocean and therefore did not meet the primary objective of the project. At that point in the process, [County] staff informed the applicant that moving the building site west of the BCL would require a variance to the planning area standard that controls the visibility of "primary sites". [County] Staff also informed the applicant that we would not support a variance unless it could be demonstrated that the project would not result in significant adverse visual impacts (to be consistent with the Conditions of Approval on the previous lot line adjustment).

Whether the County has effectively enforced the condition of the Lot Line Adjustment establishing the BCL is not directly related to the Substantial Issue question, since this was a condition of a previous permit and is not a standard of the LCP. Nevertheless, it is appropriate for the Commission to evaluate this contention to the degree that the BCL provides a means of carrying out LCP visual resource protection policies. The BCL must also be considered in light of other coastal resource issues raised by the project, and the changed circumstances since the County acted on the previous lot line adjustment. Requiring the development to be located behind (east of) the BCL may not be the most protective of coastal resources because it forces development closer to, and potentially within, sensitive forested areas of the site.



Irrespective of the BCL, the fact that the residence approved by the County excessively encroaches within the highly significant Highway One view corridor of San Luis Obispo County's rural North Coast raises a substantial issue regarding project conformance to LCP Visual and Scenic Resource Policies 1, 2, and 4. Contrary to Policy 1, the project does not protect scenic features of the landscape because it intrudes within unobstructed views of open space and pine forest habitats. In conflict with Policy 2, the design of the residence does not minimize its visual intrusion. For this same reason, the design is not subordinate to the open space, rural character of the area, in conflict with Policy 4.

Finally, the construction of the proposed berms contradict Policy 5's requirement to minimize the alteration of natural landforms within public view corridors. In limited circumstances, the use of earth berms can provide an appropriate means to shield development from public view. For example, in instances where alternative sites and designs are not available, or where screening with vegetation would be out of character with the surrounding or block important coastal views, berms designed to blend in with a site's natural contours can provide an effective means of shielding new development from public view. However, in accordance with the intent of Policy 5, such landform alterations should be kept to a minimum. In this case, the extent of berming has not been kept to a minimum because alternative sites and designs for the residence that avoid or minimize its visibility from public areas have not been adequately pursued. Moreover, where it is not possible to screen the development from public view using natural landforms, Policy 4 calls for new development to be screened with native vegetation. As opposed to other sites where intensive landscaping for screening purposes may adversely impact coastal views, the use of Monterey Pines and other native vegetation at the project site is consistent with the surrounding environment and scenic quality of the area. Therefore, in accordance with LCP visual resource protection policies requirements, the use of berms should be employed only after alternative sites, designs, and landscape screening alternatives have been exhausted. Such alternatives were not adequately pursued during the County's review.

3. Substantial Issue Conclusion

The appeal raises a substantial issue regarding project conformance with the LCP Visual and Scenic Resource Policies 1, 2, 4, and 5 because the development has not been sited and designed to be outside the scenic Highway One viewshed or to minimize the alteration of natural landforms.

B. Environmentally Sensitive Habitat Areas (ESHA)

1. LCP ESHA Protection Provisions

The appeal asserts that the project is inconsistent with the following LCP Policies for Environmentally Sensitive Habitats:

Policy 1: Land Uses Within or Adjacent to Environmentally Sensitive Habitats

New development within or adjacent to locations of environmentally sensitive habitats (within 100 feet unless sites further removed would significantly disrupt the habitat) shall



not significantly disrupt the resource. Within an existing resource, only those uses dependent on such resources shall be allowed in the area.

Policy 27: Protection of Terrestrial Habitats

Designated plant and animal habitats are environmentally sensitive habitat areas and emphasis for protection should be placed on the entire ecological community. Only uses dependent on the resource shall be permitted within the identified sensitive habitat portion of the site.

Development adjacent to environmentally sensitive habitat areas and holdings of the State Department of Parks and Recreation shall be sited and designed to prevent impacts that would significantly degrade such areas and shall be compatible with the continuance of such habitat areas.

In addition, the appeal contends that the project does not conform to Section 23.07.174d of the Coastal Zone Land Use Ordinance (CZLUO), based on the proximity of a proposed well to Leffingwell Creek. The applicant has eliminated the well from the project, rendering this contention moot.

Substantial Issue Analysis

The forest, grassland, and riparian habitats contained on the 78-acre parcel are important coastal resources, interconnected with the larger ecological system unique to the San Luis Obispo County north coast. All of these habitat types play a role in supporting the rare and valuable plants and animals endemic to the area. The large minimum parcel sizes of the Rural Lands designation, and the presence of San Simeon State Park to the north, have helped to protect the important and sensitive habitats of the area. Indeed, this rural area north of Cambria is a critical component to the larger Cambria Pine forest, which is one of only three regions in the world supporting endemic Monterey Pine forest habitat. Thorough application of LCP ESHA protection standards in this area is essential to preserve the ecological integrity and biological functioning of the forest habitat - a particularly important function given the pace and quantity of development taking place in portions of the forest within the Cambria urban area

The appeal contends that the project may degrade and fragment sensitive Monterey pine forest habitat, inconsistent with ESHA Policies 1 and 27. The ordinances implementing these policies generally rely on LCP Combining Designation Maps to identify the locations where these and other LCP standards protecting ESHA apply. As shown by Exhibit G, the LCP Combining Map for the area including the project site delineates portions of the site as ESHA with a Terrestrial Habitat (TH) overlay intended to show Monterey pine forest habitat, and a Wetland (WET) overlay intended to show the location of the wetland and riparian habitats of Leffingwell Creek. By comparing these overlays to aerial photographs of the site, it is evident that the Combining Designations do not accurately delineate the location of forest habitats on the site.

At the project site, grassland transitions to forest habitat at a distance of approximately one quarter of a



mile east of Highway One. In an attempt to protect both scenic and habitat resources, the residence has been sited on a disturbed un-forested portion of the site, where soil had been removed and used as fill during the construction of Highway One. According to the County's review, the project does not necessitate the removal of any mature trees. However, the project will impact the grasslands that play an important role in maintaining the health and biological productivity of the adjacent forest and the greater North Coast ecosystem. These grassland areas provide the ecological conditions needed to support future generations of the forest, and may also support Monterey Pine saplings that are developing the genetic materials needed to establish a resistance to Pitch canker. They also provide foraging areas for the raptors and other fauna associated with the forest habitat.

By developing in the grassland areas adjacent to forest habitats, the project will introduce noise, light, human activity, domestic animals, and exotic vegetation to the area, and thereby diminish the biological productivity of the sensitive habitats surrounding the development. Similarly, the construction of structures and fences will create barriers to existing patterns of wildlife movement and foraging. The project will also cause the spread of pitch canker if infected firewood or landscaping trees are brought onto the site. Moreover, the loss of grasslands associated with the development will hamper forest regeneration and the succession of a strain of Monterey pines that are resistant to pitch canker, impeding the ability of the forest to recover from this epidemic.

As a result, the project approved by the County raises a substantial issue regarding its conformance to ESHA Policies 1 and 27. ESHA Policy 1 applies to all new development within and adjacent to environmentally sensitive habitats that may disrupt the resource. Inconsistent with ESHA Policy 1, the local approval does not effectively address concerns that project landscaping materials and firewood could significantly disrupt the surrounding forest habitat by introducing exotic invasive vegetation, as well as harmful insects, genetic materials, and disease. ESHA Policy 27 calls for the preservation of sensitive terrestrial habitats such as the pine forest by protecting the entire ecological community. The impact of the development on grasslands adjacent to, and ecologically connected with the pine forest raises a substantial issue with respect to Policy 27 because, as discussed above, these impacts adversely affect the pine forest system and cumulatively threaten the long-term continuance of the habitat.

2. Substantial Issue Conclusion

The appeal raises a substantial issue regarding project conformance to LCP ESHA Policies 1 and 27 because the locally approved development has the potential to disrupt sensitive Monterey pine forest habitat and be incompatible with its continuance. This is the result of inadequate provisions to avoid the introduction of invasive vegetation and harmful disease, and the absence of measures to minimize the impacts of the project on the biological productivity of the surrounding habitat.

C. Water Supplies

1. LCP Water Policies



The appeal asserts that the project is inconsistent with LCP Public Works Policy 1 and Section 23.04.430 of the CZLUO, cited below:

Policy 1: Availability of Service Capacity

New Development (including divisions of land) shall demonstrate that adequate public or private service capacities are available to serve the proposed development. Priority shall be given to infilling within exiting subdivided areas. Prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban services line for which services will be needed consistent with the Resource Management System where applicable. Permitted development outside the USL shall be allowed only if it can be serviced by adequate private on-site water and waste disposal systems.

The applicant shall assume responsibility in accordance with county ordinances and the rules and regulations of the applicable service districts or other providers of service for costs of service extensions or improvements that are required as a result of the project. Lack of proper arrangements for guaranteeing service is grounds for denial of the project or reduction of the density that could otherwise be approved consistent with available resources.

2. Substantial Issue Analysis

The appeal contends that the project does not comply with the above LCP standards because “the proposed development is located outside the Cambria Urban Service Line and evidence has not been provided to conclude that adequate private water services exist on the site”. In other words, the appeal asserts that since the project is outside the USL, it is not eligible to receive water from the community system. Instead, the project must demonstrate that a sustainable source of water, adequate to serve the project, exists on site.

Notwithstanding the fact that the project site is outside both the Urban Services Line and Urban Reserve Line, water services provided by the Cambria Community Services District (CCSD) already exists on the site due to the presence of a pre-existing water meter. The fact that the subject parcel is receiving community water service through a pre-existing connection does not necessarily address *all* of the LCP requirements regarding water supply applicable to the new residential project. Public Works Policy 1 states that there must be adequate service capacities available to serve the project, after the services needed to accommodate buildout within the urban services line has been accounted for.

Since at least 1997, when the Commission reviewed the North Coast Area Plan Update proposed by San Luis Obispo County, the Commission has consistently identified significant outstanding issues, data gaps, and resource management needs regarding the true capacity of a sustainable water supply for Cambria that is also protective of the regions riparian resources. Recognizing the complexities of this issue, the Commission has attempted to provide opportunities for the County and the CCSD to complete



up to date assessments, and develop water management plans, to resolve this issue. In the mean time, development in the Cambria Urban Area has continued to occur, at rates regulated by the County Growth Management Ordinance (currently, this ordinance allows a maximum one percent growth per year within the Cambria Urban Area). Most recently, the recommendations for corrective action adopted by the Commission as part of its Periodic review of the San Luis Obispo County LCP, establishes a deadline of January 1, 2002 for the County and CCSD to develop specified resource management plans and complete the environmental evaluations needed to determine and implement a sustainable water supply for Cambria. Should this information not be developed by January 1, 2002, the adopted recommendations call for the County to not allow any new development that would require additional withdrawals from Santa Rosa or San Simeon Creek, unless particular findings can be made. Consistent with this approach, the Commission has not, to date, denied residential development projects in the Cambria area approved by the County prior to January 1, 2002 solely based on concerns regarding water supplies. Moreover, because there is an existing residence on the site that will be replaced by the proposed residence, it does not appear that the project would increase water use to a degree that requires additional withdrawals from Santa Rosa and San Simeon Creeks.

3. Substantial Issue Conclusion

The appeal does not raise a substantial issue regarding the method by which water will be supplied to the development because the project site is already receiving water from a pre-existing CSD connection. Nor is a substantial issue raised regarding the adequacy of available water supplies because approval of the project will replace an existing residence, and therefore will not result increase water demand to a degree that will requires additional withdrawals from Santa Rosa or San Simeon Creeks. However, as explained in the De Novo findings for ESHA, evidence of a valid will serve letter verifying that the Cambria Community Services District will serve the development with water is needed to ensure that there is adequate water, particularly in light of the water emergency recently declared by the District.

VI. Staff Recommendation on CDP Application

The staff recommends that the Commission, after public hearing, **approve** a coastal development permit for the proposed development subject to the standard and special conditions below.

Motion. I move that the Commission approve Coastal Development Permit Number A-3-SLO-00-118 pursuant to the staff recommendation.

Staff Recommendation of Approval. Staff recommends a **YES** vote. Passage of this motion will result in approval of the coastal development permit as conditioned and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution to Approve a Coastal Development Permit. The Commission hereby approves the coastal development permit on the ground that the development as conditioned, will be in



conformity with the provisions of the San Luis Obispo County certified Local Coastal Program. Approval of the coastal development permit complies with the California Environmental Quality Act because feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amended development on the environment.

IV. Conditions of Approval

A. Standard Conditions

1. **Notice of Receipt and Acknowledgment.** The permit is not valid and development shall not commence until a copy of the permit, signed by the Permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
3. **Interpretation.** Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the Permittee to bind all future owners and possessors of the subject property to the terms and conditions.

B. Special Conditions

1. **Scope of Permit.** The development authorized by this permit is limited to construction of the following, subject to Executive Director review and approval of final plans and compliance with all conditions of this permit.
 - a. 7,360 square foot square foot residence with an attached 981 square foot work room, 1,313 square-foot attached garage and a **maximum height of 23 feet** (measured in accordance with Section 23.04.122 of the CZLUO);
 - b. 600 square foot guesthouse with 480 square foot garage;
 - c. 2,400 square foot storage barn with a 600 square foot loft;



- d. 2,400 square foot horse barn; and
- e. 65,340 square foot pond.

2. Compliance with Local Conditions of Approval. All conditions of approval adopted by the San Luis Obispo County Planning Commission on June 22, 2000 (attached as Exhibit D) pursuant to an authority other than the Coastal Act continue to apply to the project (e.g., local conditions 3 and 4 regarding the protection of archaeological resources, required pursuant to the California Environmental Quality Act, and local condition 7 requiring compliance with County fire safety requirements). Where there is a conflict between the conditions of the local approval and the terms of this permit, the terms of this permit shall control.

3. Final Plans. PRIOR TO ISSUANCE OF THE PERMIT the applicant shall submit, for Executive Director review and approval, two sets of the project plans described below. All development shall take place consistent with these plans, as approved by the Executive Director. No changes to the approved plans shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is required.

- a. **Final Site Plan** that shows the exact location and footprint of all project components listed by Special Conditions 1. The siting of the development shall be consistent with the Site Plan prepared by David M. Brown, dated June 5, 1999 and attached as Exhibit B, with the exception that the residence shall be relocated approximately 11 feet to the west so that the finish floor elevation of the garage is no higher than 116 feet above sea level.
- b. **Structural Plans and Elevations** for the residence and attached garage, guest house, storage barn and horse barn. The plans for the residence shall reduce the finish floor elevations of the entire structure a minimum of three feet below the “top of slab” and terrace elevations indicated in plans prepared by David Brown dated June 5, 1999.
- c. **Landscape Plans**, accompanied by evidence that the plans have been reviewed by a biologist or forestry professional and determined to be consistent with the protection and enhancement of the surrounding Monterey Pine forest habitat. New plantings shall be limited to plants that are native to the area, including mature trees, so that the home will not be visible from Highway One or established trails or facilities within San Simeon State Park, except for a period of three years following the commencement of construction (to permit growth of the planted trees and landscaping). The plans shall be in sufficient detail to identify the location, species, size, planting schedule, and irrigation requirements of the proposed landscaping materials, which shall be selected and located in a manner that considers the specific conditions of the site including, soil, exposure, temperature, moisture, and wind. The plans shall also provide for the transplant of all Monterey pine saplings within the development’s footprint to other locations on site that provide appropriate growing conditions. The Landscape Plans shall also include a design and planting plan for the berm that will be used to create the pond.



The Landscape Plans shall identify monitoring and maintenance measures, including the identification of specific performance criteria, and the implementation of bi-annual inspections and maintenance activities to ensure that performance criteria and screening requirements are being met. Maintenance measures shall restrict vegetation trimming to the minimum amount necessary for the health of the species; include the removal of any exotic invasive species that become established in the planting areas; provide for the immediate replacement of any dead or diseased vegetation that provides visual screening; and call for supplemental planting as needed to ensure that the development remains entirely invisible from Highway One and existing established trails in San Simeon State Park for the life of the project.

The Landscape Plans and any supplemental plans required pursuant to Special Condition 4 below shall be subject to the review of the California Department of Parks and Recreation, and shall respond to any comments received from Parks and Recreation to the satisfaction of the Executive Director of the Coastal Commission. All landscaping activities shall be carried out in accordance with the measures for preventing the spread of pitch canker required by Special Condition 5, below.

- d. **Pond Maintenance and Management Plan.** By constructing the pond, the permittee recognizes that the pond may become habitat for rare and valuable native aquatic species, such as the California red legged frog and Southwestern pond turtle, that must be protected from adverse impact. A written Pond Maintenance and Management Plan shall be prepared by a qualified biologist, and include specific monitoring and management measures that will protect the wetland habitat values that become established in the pond. These shall include specific restrictions and protocols regarding mosquito abatement practices and draining of the pond to ensure that such activities will not impact sensitive species; provisions regarding the establishment and control of aquatic vegetation that maximizes habitat values for native wetland flora and fauna; measures to prevent the introduction of non-native plants, fish and animals (e.g., bullfrogs, sunfish and other centrachids) and their dispersal to other nearby wetland habitats; and, adaptive management strategies to prevent the surrounding development and human activity from disrupting the wetland habitat values that become established.
- e. **Lighting Plan** that identifies the type and location of all exterior lights, which shall be limited to that which is necessary to illuminate driveways, pathways, and entrances to structures. Such lighting shall be provided by low-level light sources that cannot be seen from public areas and prevent light and glare from extending beyond the immediate area to be illuminated.
- f. **Grading, Drainage, and Erosion Control Plans** that satisfy the requirements of CZLUO Sections 23.05.024 – 23.05.050 and prohibit ground disturbing activities between October 15 and April 1. The plans shall also identify that ground disturbing activities are also prohibited when the National Weather Service reports a 30% or greater chance of rain. In addition, the plans shall conform to the following requirements:



Implementation of Best Management Practices During Construction. The Drainage and Erosion Control Plans shall identify the type and location of the measures that will be implemented during construction to prevent erosion, sedimentation, and the discharge of pollutants during construction. These measures shall be selected and designed in accordance with the California Storm Water Best Management Practices Handbook and the criteria established by the San Luis Obispo County Resource Conservation District. Among these measures, the plans shall limit the extent of land disturbance to the minimum amount necessary to construct the project; designate areas for the staging of construction equipment and materials, including receptacles and temporary stockpiles of graded materials, which shall be covered on a daily basis; provide for the installation of silt fences, temporary detention basins, and/or other controls to intercept, filter, and remove sediments contained in the runoff from construction, staging, and storage/stockpile areas; and provide for the hydro seeding of disturbed areas immediately upon conclusion of construction activities in that area. The plans shall also incorporate good construction housekeeping measures, including the use of dry cleanup measures whenever possible; collecting and filtering cleanup water when dry cleanup methods are not feasible; cleaning and refueling construction equipment at designated off site maintenance areas; any the immediate clean-up of any leaks or spills. The plans shall indicate that **PRIOR TO THE COMMENCEMENT OF GRADING**, the applicant shall delineate that the approved construction areas with fencing and markers to prevent land disturbing activities from taking place outside of these areas.

Post Construction Drainage. The drainage plan shall identify the specific type, design, and location of all drainage infrastructure necessary to ensure that post construction drainage from the project does not result in erosion, sedimentation, or the degradation of coastal water quality. To the degree feasible, this should include the detention of runoff from impervious areas within the pond. All runoff from paved parking areas and livestock facilities (e.g., horse storage barn) filter and/or treat to prevent the discharge of bacteria and pollutants into the pond and other coastal waters. The capacity of filtration and treatment features shall be adequate to effectively remove sediments and pollutants during an 85th percentile 24-hour runoff event. In areas where rocks or other energy dissipation structure be needed (e.g., at the outlet of the pond drain and overflow pipes), the drainage plan shall include detailed plans which limit the size and footprint of such structure to the minimum necessary to achieve effective erosion control.

The applicant shall be responsible for implementing and maintaining drainage and erosion control measures and facilities for the life of the project. This shall include performing annual inspections, and conducting all necessary clean-outs, immediately prior to the rainy season (beginning October 15), and as otherwise necessary to maintain the proper functioning of the approved drainage system.

4. Landscape Installation and Monitoring Reports. **PRIOR TO OCCUPANCY OF THE RESIDENCE** the permittee shall submit, for Executive Director review and approval, written



confirmation by the landscape professional, accompanied by photographic evidence, that all new plantings have been installed in accordance with the approved Landscape Plan.

THREE YEARS FROM THE COMMENCEMENT OF PROJECT CONSTRUCTION, the permittee shall submit, for Executive Director review and approval, a written and photographic report prepared by a landscape professional, documenting that the landscape plan has been effectively implemented and that the development is not visible from Highway One or San Simeon State Park trails and facilities. In the event that the landscape professional and/or Executive Director determines that the performance criteria and or screening requirements have not been satisfied, the permittee, or successors in interest, shall submit a supplemental landscape plan for the review and approval of the Executive Director within one month of the determination. The supplemental landscape plan shall be prepared by a qualified landscape specialist, and shall specify additional landscaping, monitoring and management measures that will be implemented to achieve the screening requirements of this permit within a two year time frame. The supplemental landscape plan shall include the use of earth berms where necessary to supplement plantings and achieve screening requirements. Any berms determined to be necessary to achieve screening requirements shall be designed to blend with adjacent terrain, have stable slopes, support native vegetation, and be limited in height to the minimum necessary to achieve the screening objectives. Details regarding the planting, seeding, and soil type of the berms shall be specified, and ensure that the berms will be completely vegetated within one year of their construction. In no case shall the berms be any higher than those approved by San Luis Obispo County (8 feet to screen the residence from the Highway One northbound view, 15 feet to create the berm for the pond and to screen the residence from the southbound view). The supplemental report shall also provide for additional reporting to the Executive Director, until screening objectives have been achieved to the satisfaction of the Executive Director.

5. Pitch Canker Controls. To prevent or reduce the spread of disease from pitch canker, bark beetles, or other diseases affecting the forest, the following measures shall be followed:

- a. Cutting or pruning tools shall be cleaned with a disinfectant prior to use on uninfected branches or other trees.
- b. All firewood and landscaping materials shall be inspected and confirmed to be free of pitch canker or other diseases prior to being transported to the property. All firewood to be stored on site shall be covered by a clear plastic tarp.
- c. Prior to the cutting or removal of infected trees, the Permittee shall submit a plan, for review and approval of the Executive Director, for the transportation and relocation of the diseased material. The plan shall identify the chosen site to which the material will be relocated (areas free of the disease are prohibited) and shall ensure that any material taken off the site will be covered or enclosed to avoid dispersal of contaminated bark beetles.

6. Deed Restriction. This permit is only for the development described and conditioned by Coastal Development Permit No. A-3-SLO-00-118. Except as provided in Public Resources Code section 30610



and applicable regulations, any future development as defined in PRC section 30106, including but not limited to, a change in the density or intensity of use land, shall require a separate coastal development permit from San Luis Obispo County. No future subdivision of the property, or adjustment of lot lines, other than those brought about in connection with the acquisition of land for public recreation or resource protection, or to maintain the southern property boundary in its current location, shall be permitted.

PRIOR TO ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall execute and record a deed restriction in a form and content acceptable to the Executive Director, reflecting the above restrictions on development, and committing the applicant and all future owners of the property to full implementation of the Landscape Plan, Pond Maintenance and Management Plan, Grading Drainage, and Erosion Control Plans, and Pitch Canker Controls required by the conditions of this permit. The deed restriction shall include copies of the approved Landscape Plans, Pond Maintenance and Managements Plans, Grading and Erosion Control Plans, and Pitch Canker Controls required by Special Conditions 3c, 3d, 3f, and 5 of this permit, as well as a legal description of the parcel being restricted, and shall run with the land, binding all successors and assigns, and shall be recorded free of prior liens that the Executive Director determines may affect the enforceability of the restriction. The deed restriction shall not be removed or changed without a Commission amendment to this coastal development permit.

6. Removal of Modular Home and Trailer. PRIOR TO OCCUPANCY OF THE RESIDENCE, the applicant shall submit to the Executive Director evidence that the 3000 square foot modular home installed on the site has been removed from the property.

7. Water. PRIOR TO THE ISSUANCE OF THE COASTAL DEVELOPMENT PERMIT, the applicant shall submit to the Executive Director a valid “Intent to Serve” letter from the Cambria Community Services District, verifying that the CCSD will serve the development with water.

V. Recommended Findings and Declarations for Coastal Development Permit Approval

The Commission finds and declares as follows:

A. Project Description

1. Project Location

The project is proposed on a 78 acre parcel located at 7292 Exotic Gardens Drive, on the east side of Highway One, in the Rural Lands category north of the Cambria urban area (see Exhibit A). The parcel is bounded by San Simeon State Park to the North, undeveloped private land to the east, and a few residential estates (i.e., the Brown estate and the Leimert subdivision) to the south/southeast, all of



which have been sited and designed to be outside of the Highway One viewshed. There is an existing restaurant (“The Hamlet”) adjacent to the northwest corner of the site, which also gains access from Exotic Gardens Drive and fronts on Highway One. Leffingwell creek, a perennial stream, forms the southern boundary of the property.

The parcel has a generally long and thin configuration, with the widest part of the property fronting on Highway One for a distance of approximately 1,400 feet. The parcel tapers down to a narrow strip about 600 feet wide at its eastern end, which is about 3,600 feet inland of Highway One (Exhibit A). The wider, western half of the site is comprised mainly of grasslands, while the narrower eastern portion contains high quality Monterey Pine forest. Leffingwell creek (the southern property boundary) supports riparian and wetland habitats.

The project site and surrounding area, like other rural areas of San Luis Obispo County’s northern coastline, supports important scenic and ecological resources of statewide significance. As detailed in the Periodic Review of the San Luis Obispo County LCP, current threats to the long term preservation of these resources necessitates rigorous regulatory review of new development proposals, and stringent implementation of existing and updated LCP standards.

2. Project Description

The project involves the construction of a single-family residence with 7,360 square feet of living space, a 981 square foot work room, and a 1313 square foot attached garage. The new construction of residence will replace an existing 3,000 square foot modular home. The project also includes a 600 square foot guesthouse with 480 square foot garage, a 2,400 square foot storage barn with 600 square foot loft, a 2,400 square foot horse barn, and a manmade pond of 65,340 square feet. As conditioned by the County, the project also involves the construction of two eight-foot tall visual earth berms, designed to partially screen the residence from the Highway One viewshed. The site plan showing the location of these project components, along with the plans for the residence, are attached as Exhibit B.

As approved by the County, the project also included a water well within 100 feet of Leffingwell Creek. The applicant has since eliminated this component of the project from the coastal development permit application.

B. Coastal Development Permit Determination

1. Visual and Scenic Resources

a. LCP Visual and Scenic Resource Standards

In addition to the visual and Scenic Resource Policies and analyses cited on 6-7 of this report and incorporated into these findings by reference, the North Coast Area Plan Standard for Site Design and Building Construction addresses site selection criteria for lands outside of urban and village reserve lines as follows:



6. Site Selection. *Primary site selection for new development shall be locations not visible from Highway 1 as follows:*

- a. Sites shall be selected where hills and slopes would shield development unless no alternative location exists or the new development provides visitor-serving facilities.*
- b. New development shall be located so that no portion of a structure extends above the highest horizon line of ridgelines as seen from Highway 1.*
- c. Where single ownership is on both sides of Highway 1, building sites shall be located on the east side of Highway 1 except for identified visitor-serving development*
- d. Development proposals for sites with varied terrain are to include design provisions for concentrating developments on moderate slopes, retaining steeper slopes visible from public roads undeveloped.*

b. Analysis

LCP standards cited on pages 6 and 7 of this report, as well as North Coast Planning Area Standard 6 above, seek to preserve the scenic resources of the San Luis Obispo County coastline, among other ways, by requiring new development to be sited to avoid its intrusion within public view corridors. Specifically, Policy 2 requires site selection for new development to emphasize locations not visible from major public view corridors, and to use slope created pockets to shield development and minimize visual intrusion. Similarly, Standard 6 requires new development to be sited where hills and slopes would shield development, unless no alternative location exists. Where it is not feasible to completely avoid intrusion within public views, Policy 2 and Policy 4 require that this impact be minimized.

In accordance with these requirements, the original proposal to locate the house on the top of a knoll, directly within the Highway One viewshed, was ruled out during the local review. The proposed residence was relocated to a site inland of the knoll where it would be partially shielded by the knoll. This location also focuses the development in the most disturbed area of the property, where soil had been removed to build Highway One. Other sites that would not be visible from Highway One were ruled out because they were either more visible, or posed adverse impacts to sensitive forest habitats.

Subsequent to the filing of the appeal, alternative sites within the disturbed area inland of the knoll have been investigated, in an effort to determine whether it is possible to site and design a residence that would not encroach within public views. In particular, the applicant was asked to evaluate the option of relocating the residence a short distance to the west so that, in coordination with some design changes, it would be completely shielded from Highway One by the knoll. The applicant consulted the project geologist about this option, who identified the following concerns in a letter dated February 24, 2001 (attached as Exhibit H):

The saddle area is not as suitable [as the currently proposed site] for a residential structure for the following reasons: surface drainage will be an issue since it is the



lowest lying area, design for a wastewater system will be more difficult since the effluent may require pumping to lift it to an area where the disposal site would not create a problem for building footprints. There is also a good possibility that perched water occurs in this low lying area which would necessitate the instillation of sub-surface drains. Foundations may need to be deeper due to a greater thickness of loose material in the saddle.

The surface drainage issues were particularly noted during the rains over the past few days when flooding has occurred.

Therefore, based on geologic and hydrologic considerations, the building site should not be located within the saddle area. The existing site has fewer constraints relating to constructing a residence and will require fewer site modifications.

The geologist's evaluation did not adequately respond to the requested alternative evaluation because it was limited to the saddle area between the two hills, and did not consider sites further west, on the inland side of the western hill, at an elevation above the area where local drainage collects. Nor did this evaluation consider the possibility of installing drainage improvements that could minimize or prevent localized flooding in the saddle area.

In further consideration of this alternative, the applicant and project architect met with the Commission staff on site. This site visit, and a review of the topographic maps prepared for the project, did not demonstrate that it would not be feasible to site and design a residence on the inland side of the berm that would not be visible from Highway One. However, such an alternative would require a significant amount of landform alteration, and a complete redesign of the proposed residence, which would likely include a considerable reduction in the size of the house.

As an alternative, this permit calls for more modest changes to the proposed siting and design of the residence that will reduce the visibility of the residence from Highway One, accompanied by an aggressive landscaping effort that must completely screen the project within three years of construction and be maintained throughout the life of the project. In accordance with Policy 4, new development that cannot be sited outside of public view corridors shall be screened utilizing native vegetation, provided that the vegetation, when mature, must not obstruct major public views. The use of Monterey Pines and other native plants to screen the development is compatible with the natural surroundings of the site, and will not interfere with scenic quality of the area or block significant coastal views (the views from Highway One are inland-looking).

The Special Conditions that require modifications to the siting and design of the residence are intended to minimize the residence's intrusion within public viewsheds, as required by Policy 2 and Policy 4. Special Condition 1a requires the maximum height of the residence to be reduced from 26 feet to 23 feet. In addition, Special Conditions 3a and b require the elevation of the residence to be lowered a minimum of three feet, by shifting the house to the west and reducing finish floor levels. This will result in a reduction of at least 6 feet from the height /elevation of the structure approved by the County.



Also in accordance with Policy 4, the limited portions of the structure that cannot be sited outside of the public view corridors will be screened with native vegetation. Special Condition 3c requires the development and implementation of a detailed landscape plan that will completely screen the development within three years of its construction. The screening must not only prevent the development from being visible from Highway One, but also must shield the project from the views available from established trails and facilities within San Simeon State Park (immediately north of the project site) to carry out the Policy 4's directive to protect all public view corridors in rural areas. It also requires the monitoring, maintenance and, if necessary, replacement of landscaping to ensure that the development will be screened in perpetuity. Special Condition 4 requires the permittee to submit reports to the Executive Director, demonstrating compliance with the landscape installation and screening requirements. In the event that landscaping does not effectively screen the development within a three year time frame, a supplemental landscape plan must be prepared, and include the use of berms where necessary to achieve screening requirements within an additional two year period. Such berms must blend with the adjacent terrain, support revegetation, and be the minimum height necessary to achieve the screening objectives.

It is important to note that the landscape screening requirements apply to all elements of the development - although the applicant and County's visual analysis indicate that only the residence will be visible, the landscaping condition provides assurance that any unexpected visual impacts will be effectively addressed.

c. Conclusion

The proposed project is inconsistent with LCP requirements to avoid impacts on scenic public view corridors because it has not been sited and designed to minimize its intrusion within these corridors and does not provide adequate screening of those portions of the development that cannot avoid such intrusion. Therefore, the permit has been conditioned to require the height and elevation of the residence to be reduced, and the implementation of a landscape plan that will effectively screen the development from public view. Only as conditioned does the project conform to these requirements.

2. Environmentally Sensitive Habitat Areas

A. LCP ESHA Protection Standards

Please see the LCP ESHA Policies 1 and 27 cited on 9-11 of this report.

Other applicable standards include Policies 5, 18 and 19 for ESHA:

Policy 5: Protection of Environmentally Sensitive Habitats

Coastal wetlands are recognized as environmentally sensitive habitat areas. The natural ecological functioning and productivity of wetlands and estuaries shall be protected, preserved and where feasible, restored.



Policy 18: Coastal Streams and Riparian Vegetation

Coastal streams and adjoining riparian vegetation are environmentally sensitive habitat areas and the natural hydrological system and ecological function of coastal streams shall be protected and preserved.

Policy 19: Development in or Adjacent to a Coastal Stream

Development adjacent to or within the watershed (that portion within the coastal zone) shall be sited and designed to prevent impacts which would significantly degrade the coastal habitat and shall be compatible with the continuance of such habitat areas. This shall include an evaluation of erosion and runoff concerns.

B. Analysis

As described in the Substantial Issue findings, incorporated herein, the project is in conflict with the provisions of ESHA Policies 1 and 27 protecting sensitive Monterey Pine forest habitats in the following ways:

- landscaping materials and firewood can disrupt the surrounding forest habitat by introducing exotic invasive vegetation, disease, and harmful insects and genetic materials; and
- developing on grasslands adjacent to, and ecologically connected with the environmentally sensitive pine forest can adversely affect it's ecological system and diminish biological productivity; and,

Inconsistent with ESHA Policies 5, 18 and 19, the project has the potential to degrade riparian and wetland habitats through the proposed construction of a man made pond, altering natural drainage patterns, and contributing sediments and pollutants to coastal waters (e.g., San Simeon and Leffingwell creeks). By constructing the pond, the development will create habitat for rare and valuable native aquatic species, such as the California red legged frog and Southwestern pond turtle. While this has potential environmental benefits, there are no provisions for the monitoring and management of the habitat values that will be created by the pond. Without such measures, the manmade pond could become an attractive nuisance to rare native species of the area, and could introduce non-native species that could diminish habitat values of nearby wetland areas.

The project is further inconsistent with ESHA Policies 18 and 19 because there have not been adequate water quality controls built into the project's design and construction to ensure the protection of riparian resources. Construction activities can adversely impact coastal water quality by discharging debris and pollutants into watercourses, and by causing erosion and sedimentation through the removal of vegetation and the movement of dirt. The increase in impervious surfaces that will result from the project will also impact coastal water quality by altering natural drainage patterns and providing areas where for the accumulation of pollutants that will eventually be carried into coastal waters by storm water. Finally, drainage from the proposed horse barn may contain bacteria and nutrients that could



degrade coastal water quality.

To resolve these inconsistencies, the following Special Conditions have been attached to the project.

Special Conditions 3c avoids the introduction of exotic vegetation by requiring the landscape plan to use species native to the area, and by requiring the removal of any exotic invasive vegetation that may become established within the planting area. In addition, Special Conditions 3c and 5 require implementation of pitch canker controls, to ensure that the development will be compatible with the continuance of the surrounding pine forest habitat.

Special Condition 3c also minimizes the impact that developing the grasslands may have on the Monterey Pine forest by requiring Monterey pine saplings within development footprints to be transplanted to other appropriate areas on the site. This will preserve future generations of pine trees, as well as the forest's genetic diversity, and thereby protect the ecological community and the continuance of the pine forest habitat. The sensitive pine forest habitat and associated grasslands will be further protected by the restriction against future subdivisions established by Special Condition 6, which enforces the 80-acre minimum parcel size established by the North Coast Area Plan for the Rural Lands category.

To protect forest habitats from impacts associated with light and glare, Special Condition 3e requires the applicant to submit a lighting plan for Executive Director review and approval. Pursuant to these conditions, exterior lights must be limited to that which is necessary to illuminate driveways, pathways, and entrances to structures, and provided by low-level light sources that prevent light and glare from extending beyond the immediate area to be illuminated.

Special Condition 3f protects riparian and wetland habitats by requiring the development and implementation of erosion control and drainage plans that will prevent the project from discharging sediments and pollutants to coastal waters. Also in the interest of protecting wetland and riparian habitats, Special Condition 3d requires the development and implementation of a pond maintenance and management plan. The plan must be prepared by a qualified biologist, and include specific monitoring and management measures that will protect the wetland habitat values that become established in the pond and prevent the introduction of non-native plants, fish and animals.

C. Conclusion

The project approved by San Luis Obispo County does not conform to the LCP ESHA protection provisions cited by this report because it has the potential to adversely impact sensitive forest, wetland and riparian habitats. The special conditions attached to this permit are necessary to ensure that the development is carried out in a manner that will be compatible with the continuance of these habitats, as required by the LCP.

C. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in



conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This staff report, which is incorporated into this finding in its entirety, has discussed the relevant coastal resource issues with the proposal, and has recommended appropriate mitigations to address adverse impacts to said resources. Accordingly, the project is being approved subject to conditions which implement the mitigating actions required of the applicant by the Commission (see Special Conditions). As such, the Commission finds that only as modified and conditioned by this permit will the proposed project not have any significant adverse effects on the environment within the meaning of CEQA.

